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INFO OCT-01 AF-10 EA-11 ISO-00 CIAE-00 DODE-00 PM-07 H-03
INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SPC-03
SS-15 USIA-15 ACDA-19 IO-13 CEQ-02 EPA-04 SCEM-02
COME-00 STR-08 AID-20 CEA-02 EB-11 FRB-02 NEA-10
CPIC-12 TRSE-00 CIEP-02 LAB-06 SIL-01 CMB-01 DRC-01

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INFO AMEMBASSY BONN
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AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
AMEMBASSY TRIPOLI
USMISSION EC BRUSSELS

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [redacted] DATE 12/20/82
RDS☐or EDC☐EXT. DATE [redacted]
TS AUTH. _____ REASON(S) _____
ENDORSE EXISTING MARKINGS ☑
DECLASSIFIED☐ RELEASABLE☐
RELEASE DENIED☑ IN PART
PA or FOI EXEMPTIONS B1, A3, A9

C O N F I D E N T I A L CECD PARIS 24112

E.O. 11652: GDS
TAGS: ENRG, UK, LY, CECD
SUBJ: [redacted] LIBYAN OIL AND CONSUMER COUNTRY COOPERATION B1,A3
1. SUMMARY: [redacted] BELIEVE CURRENT SUPPLY SITUATION NOT SO SERIOUS THAT IT CAN BE USED BY CONSUMER COUNTRIES [redacted] TO JUSTIFY FAILURE COOPERATE IN DEALING WITH LIBYAN HOT OIL OR TO REFRAIN FROM PROVIDING LARG WITH ASSISTANCE IN OPERATING EXPROPRIATED OIL FIELDS. MOREVER, [redacted] SUCCESSFUL INCREASED LIFTING BY INDEPENDENTS WOULD INCREASE AVAILABLE CRUDE TO WITHIN 10PERCENT OF PRE-SEPT 1 LEVEL. B1,A3 B1,A3 B1,A3
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[redacted] THINK THERE IS A CHANCE MAJORS MAY BE INVITED [illegible] LIBYAN OPERATIONS ON REVISED BASIS ONCE DISPUTE ENDED AND DUST SETTLES. END SUMMARY.

2. [illegible]SKY (FSE), EBEL (INTERIOR), TARRANT (EUR/RPE) AND [illegible] ATTACHE MET WITH [redacted] ON SEPTEMBER 10 FOR TOUR D'HORIZON PRIOR TO CECD [illegible] LEVEL GROUP MEETING. LIBYAN OIL DEVELOPMENTS AND PROSPECTS FOR CONSUMER COUNTRY COOPERATION WERE MAIN TOPICS COVERED.

3. ON SUPPLY ASPECT OF LIBYAN SITUATION, [redacted] WAS HOPEFUL INCREASED LIFTINGS BY INDEPENDENTS AUTHORIZED BY LARG WOULD INCREASE AVAILABLE CRUDE TO WITHIN [illegible] PCT OF LEVEL OF PRODUCTION SUSTAINED PRIOR TO SEPT 1. [redacted] COULD AFFORD TO LOSE ALL LIBYAN OIL SUPPLIED BY MAJORS (ABOUT [illegible] PCT OF [redacted] CONSUMPTION) WITHOUT ANY REAL DIFFICULTY. [redacted] WOULD HAVE THEIR CURRENT SUPPLY SITUATION SHOULD NOT BE EXAGGERATED AS PRETEXT FOR NON-COOPERATION ON HOT OIL AND RELATED LIBYAN ISSUES.

4. [redacted] VOLUNTEERED THAT WHILE OVERALL [redacted] STRATEGY IN [illegible] WAS TO MINIMIZE EFFECT ON AGREEMENTS REACHED WITH PERSIAN GULF STATES, THERE IS A CHANCE MAJOR COMPANIES MAY AT SOME LATER DATE BE INVITED TO RESUME LIBYAN OPERATIONS, ALBEIT ON REVISED BASIS. ACCORDINGLY, [redacted] THOUGHT IT MIGHT BE BETTER NOT TO MAKE ANY MORE PUBLIC STATEMENTS THAN NECESSARY IN COUNTERING ADVERSE LIBYAN ACTIONS. HE NOTED PARENTHETICALLY THAT ROYAL DUTCH SHELL WAS LEGALLY RESPONSIBLE FOR SHELL GROUP'S LIBYAN OPERATIONS AND THEREFORE IT WAS UP TO DUTCH [redacted] TO MAKE ANY FORMAL PROTEST ON NATIONALIZATION. [redacted] WOULD TAKE SUPPORTIVE STEPS THEREFORE AS REQUIRED.

5. CONCERNING POSSIBILITIES OF CONSUMER COUNTRY COOPERATION FOR WHICH LIBYA WOULD REPRESENT TEST CASE, [redacted] EXPRESSED THREE ASPECTS: HOT OIL, OPERATION OF EXPROPRIATED OIL FIELDS, AND COMPANY-GOVT RELATIONS. ON HOT OIL, LEGAL ACTIONS INSTITUTED BY

COMPANIES SHOULD BE SUPPORTED, NOT HINDERED, BY CONSUMER GOVERNMENTS. IMPORT CONTROLS ALSOSHOULD BE USED WHERE FEASIBLE TO IMPEDE SHIPMENTS OF SUSPICIOUS ORIGINS [redacted] REPORTEDLY ALREADY HAS SUCH POWERS). HE SUGGESTED EXTENT TO WHICH SEED COUNTRIES [redacted] WOULD BE WILLING TO DISASSOCIATE [redacted] FROM HOT OIL DEALS MIGHT BE RAISED ON INFORMAL BASIS AT SEPT 11 MLG. HE WAS OF OPINION THAT A CLEAR DISTINCTION SHOULD BE MADE BETWEEN GOVERNMENTAL SUPPORT FOR LEGAL MEASURES TAKEN BY COMPANIES AGAINST "STOLEN PROPERTY" AND GOVERNMENTAL SUPPORT OF A POLITICALLY INSPIRED PUNITIVE EMBARGO ON ALL LIBYAN OIL, THE LATTER NOT BEING CONSIDERED A VIABLE ALTERNATIVE.

[redacted]

7. IMPROVED OIL COMPANY-CONSUMER GOVERNMENT RELATIONS WAS SEEN AS A MUST. INCREASED CONSULTATION AND PROVISION OF MORE INFORMATION IN TIMES OF CRISIS AND NORMAL OPERATION, WERE SUGGESTED WAS WAYS OF ENHANCING COMPANY CREDIBILITY [redacted] HAD BACKED SUGGESTON WHICH US HAD OPPOSED) POLLOCK (EXXON) BRIEF MLG ON LIBYAN SITUATION AS MEANS OF GIVING CONSUMER GOVERNMENT REPRESENTATIVES BENEFIT OF HEARING ABOUT INDUSTRY POSITION FROM COMPANIES. DENNICKY AND TARRANT REPLIED THAT MAJORS ALREADY WERE BRIEFING GOVERNMENTS IN INDIVIDUAL CAPITALS CONCERNED. MOREOVER, US SEES MERIT IN KEEPING MLG PARTICIPATION RESTRICTED TO SMALL GROUP OF RESPONSIBLE GOVERNMENT OFFICIALS AND DOES NOT WISH EASILY ESTABLISH PRECEDENTS FOR OUTSIDE INVOLVEMENT.
ROGERS